



IMI Newsletter

International Monetary Institute
Renmin University of China

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Highlight

Parallel Forum on “Monetary Cooperation and Diversification of International Monetary System” at the Annual Conference of Financial Street Forum 2023

On November 9th, the International Monetary Institute (IMI) of Renmin University of China, in collaboration with the Bank of China, jointly hosted the 2023 Financial Street Forum Annual Conference’s parallel forum on “Monetary Cooperation and Diversification of International Monetary System.” During the session on “Evolution and Reform of the International Monetary System,” keynote speeches were delivered on-site by Jin Wei, Deputy Mayor of Beijing, Liu Jin, President of the Bank of China, and Zheng Xinye, Vice President of Renmin University of China. Chen Maobo, Financial Secretary of the Hong Kong Special Administrative Region, delivered a remote video speech. The forum was moderated by Zhang Xiaodong, Deputy President of the Bank of China.

In his speech, Jin Wei stated that Beijing has held the top position globally as a Fin-tech hub for four consecutive years. As the capital’s primary pillar industry, finance provides robust support for high-quality development. In recent years, with strong support and guidance from the central government and relevant ministries, Beijing has actively participated in national financial governance and the RMB internationalization. In the future, Beijing will continue to strengthen its construction as the national financial management center, enhance the multi-level capital market system, promote the development of the Beijing Stock Exchange and advance market reforms, accelerate the construction of the Zhongguancun Sci-Tech Innovation Financial Reform Pilot Zone, encourage financial institutions to introduce more green finance, digital finance, and inclusive finance products, and attract more foreign financial institutions and high-quality projects to establish a presence.

Liu Jin expressed that the current monetary policies of major economies are frequently adjusted, with the global economy exhibiting prominent features of virtualization and financialization, challenging the public goods attributes of major international currencies. At the same time, the cross-border use of RMB is gradually increasing, with improved convenience, playing a positive role in promoting global economic and trade cooperation and, to some extent, enhancing the operational efficiency of the international monetary system. In this regard, Liu Jin summarized

three key points: firstly, supplementing international liquidity through the signing of bilateral currency swap agreements to support the development of cross-border trade and investment. Secondly, maintaining the value of RMB, expanding its investment channels, and increasingly highlighting RMB's international attractiveness. Thirdly, the RMB internationalization can contribute to BRI, promoting inclusive global development.

Chen Maobo believes that Hong Kong, as an international financial center, possesses ample buffer space and strong resilience, playing a crucial role in global offshore RMB business. He also stated that through the mutual connectivity initiative, Hong Kong aims to introduce more risk management tools and enhance market liquidity. Hong Kong is actively promoting RMB internationalization, attracting more foreign companies to list in Hong Kong to draw in additional international funds. In the future, Hong Kong will continue to serve as a testing ground and a firewall, playing a bridging role between the mainland and overseas, contributing to the high-quality development of the country.

Zheng Xinye stated that the current world economy is in a highly uncertain era, where the fluctuations in the global economy not only impact the daily lives of individuals but also undermine the potential for long-term economic growth. In the short term, influenced by factors such as the COVID-19 pandemic, geopolitical tensions, and inflation, the instability of the world economy has significantly increased. Simultaneously, global economic growth has reached new lows, and inflation has reached new highs, posing a growth challenge to the world economy due to the compounding effects of various factors. As a developing major country facing the severe situation of global economic development, China should emphasize the importance of global policy coordination, attempt to lead the construction of efficient and sustainable multilateral governance mechanisms, establish a fair and just international cooperation platform, strengthen policy interactions among countries, enrich global policy reserves, and promote coordinated global development.

The roundtable discussion on “International Monetary Cooperation and Cross-Border RMB Development” was moderated by Ben Shenglin, Co-Director, International Monetary Institute of Renmin University of China and Dean of the International Business School at Zhejiang University. Participants in the discussion included Xu Huaizhi, Assistant Chief Executive of the Hong Kong Monetary Authority; Ou Guansheng, Chief Executive Officer of Hong Kong Exchanges and Clearing Limited; Sun Yu, Chief Executive, Bank of China Hong Kong; Steven Barnett, Senior Resident Representative of IMF in China; Javier Pérez-Tasso, Global Chief Executive Officer of the Society for Worldwide Interbank Financial Telecommunication (SWIFT); and Wang Fang, Deputy Dean of the School of Finance at Renmin University of China and Deputy Director of the International



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Monetary Institute. The discussion focused on topics such as the direction of reform in the international monetary system, the significance of RMB internationalization, the crucial role of Hong Kong as an offshore RMB center, and the important role of commercial banks in the process of RMB internationalization.

Research

2023 Tianfu Financial Index (TFFI) Launch Meeting and Roundtable on Money and Finance • Winter 2023

On December 26, 2023, the 2023 Tianfu Financial Index (TFFI) Launch Meeting: Building a Financial Power, Addressing Five Major Areas was jointly hosted by Renmin University and the Sichuan Provincial Financial Association in Chengdu. This event also served as the Money and Finance Roundtable · Winter 2023 and the fourth session of the Sichuan Provincial Financial Association's 2023 lecture series, co-hosted by School of Finance and the International Monetary Institute (IMI) of Renmin University (RUC), Sichuan Bank, Chengdu Jiazi Financial Holding Group, and the Yangtze River Economic Zone Research Institution of RUC.

Ouyang Zehua, Vice Chairman of the Sichuan Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC) and Minister of the Financial Regulatory Administration of Sichuan Province, and Feng Shizheng, member of the CPC Renmin University Committee and Vice President of Renmin University, attended the meeting and delivered opening remarks. Yan Baoyu, Chairman of the Sichuan Provincial Financial Association and Sichuan Provincial Bank of People's Bank of China (PBOC), and Liu Xiaoliu, member of the Chengdu Municipal Committee and Executive Deputy Mayor, were also present. Over 200 participants, including representatives from Renmin University, relevant government departments of Sichuan Province and Chengdu City, financial regulatory authorities, leaders of financial institutions, experts from higher education institutions, and representatives from industry associations and companies, attended the event.

Guo Biao, Professor of the School of Finance of RUC and Assistant Director of National Financial Research Academy, presented the 2023 TFFI report. Guo explained that the index, officially released, was compiled with the support of the Sichuan Provincial Financial Association and Sichuan Bank, led by the International Monetary Institute (IMI) of RUC. The index evaluation system includes a total index, two indices, and eight sub-indices. According to the Report, the top ten cities are: Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Chengdu, Nanjing, Chongqing, Wuhan, and Tianjin. Overall, the financial index of the 35 central cities shows an upward trend, with rankings displaying some differentiation. Some cities demonstrate steady progress in financial development, while others continuously optimize their financial supply structures, achieving significant results in high-quality financial



development. Shanghai's position as an international financial center continues to strengthen, with Shenzhen and Guangzhou experiencing an increase in index scores and broad prospects for financial industry development. Hangzhou and Wuhan are enhancing financial development through human resources, improving quality and efficiency. Chengdu and Chongqing show notable effects in supporting the construction of the Chengdu-Chongqing economic circle. Fuzhou, Changchun, and Shijiazhuang optimize the business environment, promoting healthy development in the financial industry. Xi'an, Nanchang, and Urumqi focus on key areas, further enhancing the financial empowerment of the real economy.

In this Report, Chengdu ranks 6th in the overall index score. Specifically, the rural financial sub-index has held the 1st position for seven consecutive years, with significant advantages in rural financial foundation and development. The cultural financial sub-index ranks 3rd, showing vigorous development momentum and notable progress in cultural financial foundation and development. The human resources sub-index ranks 4th, and the financial institutions sub-index and green finance sub-index rank 6th, indicating stable development. Continuous efforts are needed in financial markets, employment environment, and financial technology.

The TFFI index integrates theory, policy, and practice, encompassing 35 major cities of the first and second tiers. It objectively reflects the overall situation of financial development in each central city, as well as the development in areas such as financial markets, financial institutions, employment environment, human resources, financial technology, green finance, cultural finance, and rural finance. This contributes to a better understanding of financial development in each city, facilitating differentiated competition and coordinated development. So far, the TFFI index has been successfully compiled and released for seven editions.

The roundtable discussion was chaired by Huang Jicheng, Deputy Director of Applied Finance Department from the School of Finance of RUC. Zheng Ye, Governor of Sichuan Bank; Xiao Geng, Professor, Shenzhen Finance Institute, the Chinese University of Hong Kong; President, Hong Kong Institution for International Finance, Yang Tao, Deputy Director, National Institution for Finance & Development, Tu Yonghong, Dean of the Yangtze River Economic Zone Research Institution of RUC and Deputy Director of IMI, and Jiang Yongmu, Dean of the School of Economics of Sichuan University engaged in the discussion.

Macro-Finance Salon

Editor's Note:

The Macro-Finance Salon is a high-level academic salon initiated by the International Monetary Institute of Renmin University of China. Based on China's practice and closely following the international frontier, the salon has built a high-level, professional and open academic exchange platform to promote the construction of the discipline of "Macro-Finance" in the new era and carry out in-depth research on theories, policies and strategies of "Macro-Finance".

Professor Huang Da is the initiator of the "Macro-Finance" system. At the turn of the century, in response to the new challenges and requirements posed by economic and financial globalization, he reconstructed the financial discipline framework based on China's conditions, and initiated the discipline system of "Macro-Finance". Generations of scholars have continued to carry forward on this basis, advocating the combination of finance and the real economy, macro- and micro-finance. A major theoretical innovation system with distinctive characteristics of the school of Renmin University is gradually taking shape.

Macro-Finance Salon (No. 215): Fiscal policies in a warming world

On October 24, 2023, the Macro-Finance Salon (No. 215), jointly organized by the International Monetary Institute of Renmin University of China and the School of Finance, was successfully conducted. The theme of this salon was “fiscal policies in a warming world”.

Mr. Ruud De Mooij, Deputy Director of the Fiscal Affairs Department of the International Monetary Fund (IMF), and Mr. Raphael Lam, Deputy Division Chief of the Fiscal Affairs Department of IMF, delivered the keynote presentation. The panel of participants included Mr. Steven Barnett, Senior Resident Representative of IMF in China; Prof. Zhong Chunping, Deputy Director of Economic Strategy Research Department of the National Academy of Economic Strategy of Chinese Academy of Social Sciences; Prof. Li Rong, Professor of the School of Finance of Renmin University of China. The salon was moderated by Zhang Zhixiang, former Director-General of the International Department of PBoC and former IMF Executive



Director for China.

Mr. Ruud De Mooij introduced the climate change policies, which are the main focus of the latest International Monetary Fund's Fiscal Monitor. He emphasized that climate change has caused profound impacts on global economic and financial stability and that the IMF is deepening its focus and research on climate issues, putting it into its core work.

Mr. De Mooij pointed out that the IMF has begun to increase its focus and research on climate issues across its various departments. In the Fiscal Affairs Department, staff are conducting in-depth research on climate change as it relates to finance, while four newly developed IMF models will be used for analysis and policy development. These models can accurately assess and predict the impacts of private policies as well as the implementation and design of private policies, giving important decision support to countries in formulating policies to address climate change.

In addition, Mr. De Mooij gave a detailed presentation on a new tool, the Flexible Sustainability Trust (FST). As an innovative financial instrument closely related to climate issues, it focuses more on reform measures related to climate change than traditional forms of finance.

These measures can be either adaptive, such as public investment, climate adaptation of resilient infrastructure, etc.; or mitigating, such as energy subsidy reforms, carbon pricing reforms, etc. The design and launch of these tools further demonstrate the IMF's capacity for innovation and determination to act in the fight against climate change.

Later, Mr. Raphael Lam delivered a keynote speech on "fiscal policies in a warming world". He pointed out that, despite the measures taken by countries, there was still a large gap in achieving the goal of net-zero emissions. Public finance plays an important role in achieving this goal, and governments need to cover the costs of implementing policies.

Emphasizing the importance of carbon pricing, Mr. Raphael Lam suggested that governments should take a variety of measures to promote green development and reduce carbon emissions, but that policymakers needed to balance the political and financial impacts and find more cost-effective ways to achieve the goal. In addition, emerging markets and developing countries are facing challenges, thus they need more international support to address climate change.

Policymakers, he said, are facing a difficult trilemma. There was a need to promote the deployment of low-carbon technologies, ensure carbon price stability, and consider the impact of public finance. Meanwhile, factors such as investment bottlenecks and the time cost of green sector investments will lead to increased debt and delayed reductions in carbon emissions, resulting in higher costs. Policymakers need to carefully design green subsidies and regulatory policies to encourage businesses to invest in and adopt low-carbon technologies while leveraging the full

potential of the private sector. Delays will incur significant costs, and all parties should collaborate to implement practical and effective measures to address climate change.

Raphael Lam concluded by emphasizing that climate change is a challenge faced collectively by the global community, requiring joint efforts from all countries to seek sustainable solutions. Carbon pricing is a crucial aspect, and nations need to formulate appropriate policies to promote green development and reduce carbon emissions.

In the final discussion session, Mr. Steven Barnett, Senior Resident Representative of IMF in China, Prof. Zhong Chunping, Deputy Director of Economic Strategy Research Department of the National Academy of Economic Strategy of the Chinese Academy of Social Sciences, and Prof. Li Rong, professor of the School of Finance of Renmin University of China discussed thoroughly on various issues. These included the importance of the international community collectively promoting climate resilience, innovative financing mechanisms such as Special Drawing Rights (SDR), long-term and short-term issues related to climate change and fiscal policies, as well as the costs and effects of different types of carbon policies in the forestry sector.

Macro-Finance Salon (No. 216): Marketized Currency in Modern China and Hayek's Monetary Theory

On October 25, “Macro-Finance Salon - Millennium Commemoration of the Birth of Paper Currency (1023-2023),” jointly organized by the International Monetary Institute (IMI) and the Department of Monetary and Finance at the School of Finance, was successfully held. The event focused on the theme of “Marketized Currency in Modern China and Hayek's Monetary Theory.” Professor Dai Jianbing, Party Secretary at Hebei Normal University and Deputy Director of the Financial History Professional Committee of the China Finance Society, attended the salon and delivered the keynote speech. He elaborated on the actual performances of modern China's pluralistic and co-existing monetary forms as a verification of Hayek's conception of competitive currencies. Professor He Ping from the School of Finance at RUC and Deputy Director of the Financial History Professional Committee of the China Finance Society chaired the salon.

Professor Dai Jianbing regarded currency as one of the greatest inventions of mankind at the institutional economic level, making substantial contributions to economic development by reducing transaction costs. He highlighted the vast knowledge, theories, and data on Chinese currency from the late Qing Dynasty in the 1840s to the Republic of China, emphasizing the significance of investing time and effort in in-depth research.



Firstly, he expounded on Hayek's monetary theory. Hayek believed that while “the government monopoly on currency” was a historical fact, it might not necessarily be reasonable. He argued that economic crises and the Great Depression resulted from monopolized currencies. Therefore, he advocated that monetary competition was preferable than a single currency monopolized by the State, foreseeing an eventual denationalization of currency. The foundation of this theory lies in the ideology of democracy and liberty, advocating that currency competition surpasses currency monopolies, and sound currency stems from self-interest rather than benevolence, among other factors.

Subsequently, Professor Dai Jianbing provided a detailed account of the operational logic of China's marketized currency (unauthorized notes) since modern times, covering its connotations, circulation period, causes of issuance, issuing authorities, and monetary functions. This comprehensive analysis depicted modern Chinese society's transition from an era of highly prosperous freely issued currencies to a state-monopoly credit issuance system, revealing the challenges in realizing Hayek's ideal of solving economic crises through “competitive currency issuance”.

Professor Dai noted that unauthorized notes held a significant position throughout the development of China's currency movement, predominantly spanning three stages: the Daoguang-Xianfeng periods, the Taiping Heavenly Kingdom- the early years of the Republic of China, and the Republic of China period. The emergence of unauthorized notes stemmed from five primary reasons: transaction demands in the lower market, severe shortage in currency supply, significant inflation in national currencies, tools for private merchants' profits, and local autonomy during the Republic of China period. The widespread circulation of unauthorized notes primarily resulted from the development of China's modern commodity economy, secondary to defects within the monetary system, and was closely linked to political disunity. The fundamental cause lay in the feudal or semi-feudal nature of the economy.

Macro-Finance Salon (No. 217): Focusing on the Path of Globalization: The Choice of Silver Currency in Ming Dynasty and Its Connection to Global History

On November 1st, the "Macro-Finance Salon - Commemorating the Millennium of the Birth of Paper Currency (1023-2023)" series, jointly organized by the International Monetary Institute (IMI) of Renmin University of China and the School of Finance of Renmin University of China, was held at Renmin University of China. Wan Ming, a researcher at the Institute of Ancient History of the Chinese Academy of Social Sciences and honorary president of the Chinese Society for Historians of

China's Foreign Relations, delivered a speech titled "The Path of Globalization: The Choice of Silver Currency in Ming Dynasty and Its Connection to Global History." She elaborated on the reasons, processes, and impacts of the monetization of silver in the Ming Dynasty, explaining the association between Ming Dynasty China and the onset of globalization. The 16th century marked the beginning of economic globalization, and the monetization of silver in the Ming Dynasty is part of the history of modernization of the global economy, making the study of silver monetization significant for global history research.

Professor Wan Ming believes that the widespread use of silver was an important social phenomenon in the Ming Dynasty, and silver, as the primary currency, played a crucial role in national finance and socio-economic life. Leveraging the internal driving force based on the development needs of society, Ming Dynasty attracted a large influx of foreign silver, profoundly influencing societal changes, national transformations, and the historical interactions between China and the global community during the early stages of globalization.

Firstly, she traced the process of silver monetization through the two threads of national governance and people's livelihood. She pointed out that the monetization of silver was not the result of state regulations or decrees but underwent a development process where it originated from the grassroots in civil society and converged with official recognition from the top down, marking the progress of China's monetary economization.

Secondly, she explained the connection between silver monetization and the reforms in corvée labor and the transformation of the national fiscal system in the Ming Dynasty. Through detailed case analyses, she introduced the process of China's transition from traditional to modern society, demonstrating the significant role of silver monetization in the national transformation that occurred during the Ming Dynasty.

Professor Wan Ming provided a detailed account of the interaction between China and the global community in the context of silver monetization during the Ming Dynasty. She pointed out that the monetization of silver in Ming Dynasty China directly or indirectly prompted and facilitated the extensive development of silver mines in Japan and the Americas, playing a crucial role in leading global initiatives. The 15th-century maritime voyages by China laid the groundwork for the emergence of globalization on the seas, and the 16th-century origins of globalization primarily manifested as economic globalization, revolving around resources, currency, and markets in large-scale global economic exchanges. The monetization of silver in Ming Dynasty China propelled the country's transition from a traditional to a market economy, guiding it toward overseas ventures under the principles of supply and demand economics. China's distinctive resource development and trade model



became fundamental elements and patterns of globalization, forming the driving force behind globalization. Therefore, the most significant economic interactions of the 16th century occurred during the development of silver mines, the establishment of international trade networks, and the formation of the global market, constructing the world's first economic system and a global trade network within a market economy.

Macro-Finance Salon (No. 218): RMB Internationalization: Opportunities and Challenges for Hong Kong as an International Financial Center

On November 1, the Macro-Finance Salon (No. 218) and the International Finance Seminar (No. 4) of the Policy and Practice Institute (PPI) of The Chinese University of Hong Kong, Shenzhen, was held in Shenzhen. This event was co-organized by IMI and PPI, supported by Hong Kong Institute for International Finance. Focusing on the current status, issues, and trends of RMB internationalization, the meeting delved into the opportunities and challenges for Hong Kong as an international financial center.

Chaired by Professor Xiao Geng, Director of the Policy and Practice Institute and President of the Hong Kong Institute for International Finance, the seminar featured prominent figures such as Professor He Qing, Associate Dean of the National Finance Academy and Professor at the School of Finance of Renmin University of China; Mr. Ye Xiang, Director and General Manager of Hui Xin Capital, and Director of the Hong Kong International Finance Society; Mr. Xin Jizhao, Head of South Finance Group, Shenzhen; Ms. Lin Li, Deputy Branch Manager of Nanyang Commercial Bank (China) Limited, Shenzhen Branch; Professor Lu Dong, Assistant Professors Wang Chenxi, Chen Zhaojing, and Wang Jingye from the School of Finance at Renmin University of China; Ms. An Ran, Executive Secretary-General of IMI, and Ms. Cui Tiantian, Director of the Domestic Cooperation Department of IMI; Mr. Ben Li, Policy Researcher at the Policy and Practice Institute; Mr. Lai Chengzhi, former Branch Manager of Nanyang Commercial Bank (China) Limited, Shenzhen Qianhai Branch; and Ms. Luo Hongjun, Researcher at the Hong Kong-Guangdong Economic and Trade Development Promotion Association.

During the keynote speech session, Mr. Xin Jizhao introduced the recent research conducted by South Finance Group in the fields of media and think tanks. He asserted that future competition between China and the United States would focus more on non-financial areas such as industrial chains and high-tech. Therefore, the value of RMB internationalization should be viewed from the perspective of reducing cross-border investment risks and supporting the development of real industries. In the past, RMB internationalization was based on China's foreign trade, which involved one-time settlements, leading to limitations in its internationalization level.

With some of China's industrial and supply chains shifting to Southeast Asia, Chinese enterprises are expanding globally. In the future, RMB internationalization should be a result of China's economic and financial internationalization. It is essential to consider how to use RMB internationalization to serve the "going global" strategy and promote outbound investments by enterprises.

Mr. Ye Xiang cited a wealth of data, indicating that the process of RMB internationalization is highly correlated with the country's industrial and trade development. Relying solely on financial products without substantial support from the real economy makes RMB internationalization challenging. Although China has a significant trade surplus, enterprises venturing abroad lack sufficient support, attributed to geopolitical and institutional policy reasons. To achieve RMB internationalization, a series of complementary measures are needed to provide convenient services and security guarantees for enterprises going global, reducing the fixed costs of overseas operations, and further promoting the global layout of industrial and trade chains.

Professor Xiao Geng emphasized that Hong Kong would play a crucial role in the process of RMB internationalization. Currently serving as a gateway for overseas capital inflow and domestic enterprises going global, Hong Kong should fully leverage its business environment connected to the international arena, providing excellent services for cross-border enterprises and capital. Institutional innovation can also be explored by conducting Hong Kong's offshore business in mainland China, further expanding the scale of offshore assets and services in Hong Kong.

In the discussion session, Professor He Qing, President Lin Li, Professor Lu Dong, and Professor Chen Zhaojing raised questions on macro policies, investor and consumer confidence, cases of enterprises going global, and cross-border cooperation between Shenzhen and Hong Kong. The experts and scholars further delved into these topics in-depth.

Macro-Finance Salon (No. 219): Prevention and Resolution of Financial Risks and High-quality Financial Development

On December 3, the Macro-Finance Salon (No. 219), co-organized by the School of Finance and Economics and the National Finance Academy of Renmin University of China (RUC), and hosted by IMI, was successfully held, with the theme being "Prevention and Resolution of Financial Risks and High-Quality Financial Development - Interpretation of the Spirit of the Central Financial Work Conference". Gao Xingwei with the Party School of the Central Committee of CPC (National Academy of Governance) shared his opinions on the theme. Lin Nan, deputy director



of the Research Group of International Finance and International Economy of the Institute of Finance of the Chinese Academy of Social Sciences (CASS) and associate research fellow; Lu Dong, associate professor of the School of Finance of RUC; and Wang Jian, chief analyst of the financial industry of Guoxin Securities, participated in the discussion. The seminar was presided over by Guo Biao, Assistant Dean of the National Finance Academy and professor at the School of Finance of RUC.

Prof. Gao Xingwei gave his keynote speech. Based on the core concept of building a strong financial country, he gave an in-depth explanation of the key points of the spirit of the financial conference held by the central government, focusing on three key areas: the basic connotation of a strong financial country, the prevention of financial risks, and the promotion of high-quality financial development through financial supply-side structural reform.

First, Prof. Gao reflected on the basic connotation of a strong financial country. He reviewed General Secretary Xi Jinping's important discussions on China's financial development over the past decade, and systematically sorted out the three-dimensional positioning and three core tasks of finance in the economy. Then, he summarized the basic connotation of a strong financial country in terms of two groups of keywords, i.e., people, inclusiveness and security, marketization, internationalization and technology-orientation.

In addition, Prof. Gao emphasized that financial risk prevention is the eternal theme of finance. He summarized nine important financial risks, such as the risk of the impact of the new asymmetric power of the US and the US dollar on China, the financial risk caused by real estate, the financial risk caused by local government debt, etc., and profoundly pointed out that the prevention of financial risk is an indispensable task of financial work.

Finally, Prof. Gao put forward the strategic idea of promoting high-quality development of finance through financial supply-side structural reform. He emphasized that the essence of this reform is to realize the integration of financial goals, motivation and bottom line, and put forward specific measures to promote the "five-dimension reform", including promoting the strategy of RMB internationalization, strengthening the reform of capital market, building a modern central bank system, adopting an inclusive financial strategy, and strengthening financial supervision.

Macro-Finance Salon (No. 220) and “Seminar on Intelligent Risk Control Boosts Financial Security and High-Quality Development”

On December 8th, the Macro-Finance Salon (Issue No. 220) and the “Seminar on Intelligent Risk Control Boosts Financial Security and High-Quality Development”,

jointly organized by the International Monetary Institute (IMI) of Renmin University of China and the CFT50, were held in Beijing. This salon also witnessed the release of the “Graph-Based Risk Control Industry Technical Report” white paper.

On the conference, Shi Chuan, Professor and Ph.D. supervisor from the School of Computer Science at Beijing University of Posts and Telecommunications delivered a keynote speech. Wang Weiqiang, Chief Scientist of Ant Security Lab, presided over the unveiling ceremony of the “Graph-Based Risk Control Industry Technical Report” white paper. Other distinguished participants include Zhou Daoxu, Director of the Financial Security Research Center at the Institute of Financial Technology at Tsinghua University, Yang Tao, Deputy Director of the National Financial and Development Laboratory, Wang Shuo, Director of Innovation at Everbright Technology, Li Bowen, Head of the Experimental Center at the Beijing National Financial Technology Certification Center, and Hong Chuntao, General Manager of the Graph Computing Business Unit at Ant Group. Qu Qiang, Assistant Director of the International Monetary Institute of Renmin University of China, chaired the conference.

Professor Shi Chuan’s speech was titled “Intelligent Risk Control - Graph-Based Industry Technology”. Shi emphasized that amid the ongoing wave of digitalization and the increasingly important new digital risk control, graph-based risk control algorithms, including neural networks and graph-based anomaly detection methods, have provided new insights and technologies for risk control in the digital era. In the future, user relationship graphs, fund transaction graphs, and supply chain relationship graphs may become key points for solving risk control issues using graph intelligence methods. Regarding the underlying infrastructure of graph-based risk control, there are still challenges such as the need for real-time online data reading and writing capabilities and large-scale offline analysis capabilities. Lastly, he introduced specific graph-based risk control systems and products, including Tugraph and GeSec developed by Ant Group, emphasizing their leading position in large-scale data processing and efficient risk control.

Macro-Finance Salon (No. 221): Building Hong Kong Offshore Financial Center: Strategies and Outlook

On December 16, the Macro-Finance Salon (No. 221), co-organized by the School of Finance and National Finance Academy of Renmin University of China and Nanyang Commercial Bank, was conducted online. The event, hosted by the International Monetary Institute (IMI) of Renmin University of China, centered on the theme "Building Hong Kong Offshore Financial Center: Strategies and Outlook."



At the meeting, Mr. Ying Jian, the Senior Strategy Planner from a Chinese state-owned bank in Hong Kong, presented on the main topic. Ding Shuang, Managing Director and Chief Economist for Greater China and North Asia at Standard Chartered Bank, Zhang Hongbo, Assistant President of Nanyang Commercial Bank, Xie Guoliang, Honorary Senior Research Fellow at the Lau Chor Tak Institute of Global Economics and Finance (IGEF), Chinese University of Hong Kong, and Xia Le, Chief Economist for Asia-Pacific at Banco Bilbao Vizcaya Argentaria (BBVA), participated in the discussion. The salon was moderated by Wang Fang, Associate Dean of the School of Finance and Deputy Director of IMI.

Ying Jian explored the development and planning of Hong Kong offshore financial center from two perspectives.

Firstly, he talked about the formation and functions of Hong Kong as an international financial center. He began by introducing recent significant statements from the Central Committee of the Communist Party of China regarding the construction of Hong Kong as an international financial center and emphasized the crucial role of the financial industry in the Hong Kong economy. Subsequently, using charts and diagrams, he elaborated on the evolution of Hong Kong international financial center, highlighting its strong offshore characteristics, extensive international presence, and significant autonomy. He summarized the five primary functions of Hong Kong international financial center as follows: an onshore and offshore trade settlement and financing platform, the main financing hub for mainland institutions abroad, an Asia-Pacific foreign exchange trading and risk management platform, a global center for offshore asset and wealth management, and a hub for multinational corporate financial and capital operations.

In the second part, he discussed the establishment of Hong Kong as a global hub for offshore RMB business. Initially, he outlined the timeline of Hong Kong offshore RMB business hub formation from three perspectives, leading to a discussion on the policy support for this hub and the opportunities for RMB business in Hong Kong. He emphasized that Hong Kong must confront challenges from other offshore RMB centers and that by developing a strategy of "one core with two wings," Hong Kong can ensure sustainable and long-term growth for its international financial center and offshore RMB business hub.

In the subsequent panel discussion, Ding Shuang highlighted that Hong Kong's position as an international financial hub currently faces challenges, largely due to the pandemic's impact. He emphasized that Hong Kong's pivotal role stems from the "One Country, Two Systems" framework. The "One Country" element ensures stability and long-term viability, while the "Two Systems" principle allows Hong Kong to capitalize on its distinct advantages. Moreover, this is bolstered by a solid legal infrastructure, its strategic geographic location, and a wealth of talent. Ding also

observed shifts in global supply chains, trade dynamics, and capital flows, suggesting that these evolving trends offer new opportunities for Hong Kong.

Zhang Hongbo emphasized that Hong Kong's commercial banks are pivotal players in the global financial arena. Over recent years, notable financial innovations have emerged in response to evolving trends like the "dual circulation" strategy, carbon peaking objectives, and the RCEP. These advancements have significantly propelled the growth of the financial center, particularly in establishing offshore markets. He articulated three key points: First and foremost, policies from the Greater Bay Area should further bolster the development of Hong Kong offshore RMB center. Secondly, there's a need to streamline cross-border collateral procedures related to the RMB and simplify associated regulatory processes, thereby enhancing RMB's broader utilization. Lastly, expediting the integration of credit systems across regions can pave the way for a voluntary, customer-centric connection between domestic and international assets and financing, offering a favorable environment for the broader adoption of the RMB.

Xie Guoliang offered insights into recent market skepticism regarding Hong Kong's position as an international financial hub, addressing three key aspects. He emphasized that while the global environment has shifted, Hong Kong's foundational strengths as an international financial center remain intact. Hong Kong's pivotal role as a conduit between mainland China and global markets stands unparalleled and cannot be replaced by other locations. Highlighting the Asia-Pacific region as a future epicenter of global dynamism, he underscored that Hong Kong and Singapore collaborate and promote financial integration, rather than competing to replace each other. Looking forward, Xie envisioned a complementary relationship between Hong Kong and Shanghai: while Shanghai focuses on bolstering the domestic economy, Hong Kong will continue to thrive as a pivotal offshore economic hub, offering unique advantages that Shanghai cannot replicate.

Xia Le delved into the challenges and strategic responses concerning the development of Hong Kong offshore financial center. He highlighted that Hong Kong confronts two significant challenges: geopolitical tensions and the repercussions of elevated U.S. interest rates. To navigate these cyclical and enduring issues, he recommended that Hong Kong undertake the following steps: prioritize risk mitigation, seize emerging opportunities for necessary adjustments, and consistently seek support from the central government.

Macro-Finance Salon (No. 222): Climate Policies of Bank of Japan and Green Finance



On December 22, the "Macro-Finance Salon" (No. 222), co-organized by the School of Finance and the National Finance Academy of Renmin University of China (RUC) and hosted by the International Monetary Institute (IMI) of RUC, was successfully held at Renmin University of China. Yoshiaki Azuma, Deputy Director of the Bank of Japan's International Department, delivered a keynote presentation entitled "The Bank of Japan's strategy on the issues of climate change." Guo Jianwei, distinguished senior researcher of Beijing Institute of Finance and Sustainability and former Editor-in-Chief of China Finance Publishing House; Lan Hong, Deputy Director of Center for Eco-finance Studies of RUC and Professor of School of Environment and Natural Resources; Li Heng, Deputy general manager of China National Building Material Green Energy Company; Zou Kunru, Assistant professor of School of Finance of RUC also participated in the discussion. The salon was presided over by Tu Yonghong, Director of the Yangtze River Economic Zone Research Institute of RUC and deputy director of IMI.

First, Mr. Azuma delivered a keynote speech, which highlighted three aspects: the financial system and climate change, the Central Bank's climate-related measures, and the Bank of Japan's strategy on climate issues.

Azuma pointed out that financial authorities and central banks have two views on the financial system and climate issues: one is how to protect the financial system effectively from climate related impact; the other is how to utilize the financial system efficiently for climate related measures. The Bank of Japan lists climate-related impacts on corporate strategy or asset pricing as factors that influence the financial system, while financial authorities and central banks have special networks to ensure financial stability and enhance financial infrastructure. Regarding central banks' climate-related measures, there are three scopes: price stability perspective, financial stability perspective, and an additional contribution as an entity of the society. In July 2021, The Bank of Japan's Strategy on Climate Change was released, stating that "in order to address climate change, various entities in society and the economy need to actively play their roles". This strategy consists of measures in following five areas: monetary policy, the financial system, research, international finance, the Bank's business operations, and external communication.

In the discussion session, participants analyzed the Bank of Japan's climate policy and green finance, and the current problems and challenges in China's green finance effort. Extensive discussions were carried out on China's green finance and international cooperation, the financial issues, and carbon market and ESG investment.

Tao Xiang International Finance Lectures (No.30): Strategies for BRI Financing

On November 25, “Tao Xiang International Finance Lectures(No.30)”, jointly organized by the School of Finance of Renmin University of China (RUC) and the International Monetary Institute (IMI) was held in Renmin University of China. Qu Fengjie, researcher at the Macroeconomic Research Institute of the National Development and Reform Commission (NDRC), delivered a speech on “Strategies for the Belt and Road Initiative (BRI) Financing”. The lecture was hosted by Wang Chenxi, Assistant Professor from the School of Finance at RUC. Professor Luo Yu, Deputy Secretary of the Party Committee at RUC’s School of Finance, Lu Dong, Associate Professor from the School of Finance and Wang Jingye, Assistant Professor from the School of Finance at RUC, participated in the discussion.

Initially, Qu Fengjie outlined the overall framework, major achievements and challenges of the BRI. She stated that the current stage has resulted in enhanced strategic trust, progress in key project with exemplary effects, facilitation of cooperation for mutual benefits, achieving common development, improving service system, reinforcing financial support, and upholding open and inclusive cultural exchanges. However, some challenges remain. Our next step is to progress towards institutionalization, multilateralism and regularization.

Further, she highlighted the current status and characteristics of financial support for BRI. Firstly, she emphasized that China’s policy and developmental financial institutions are the most crucial financial investors for the Initiative. Secondly, significant contributions to BRI financing come from large commercial banks. Thirdly, international financial institutions and developmental institutions from developed countries are also key contributors the Initiative, among which emerging multilateral development financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) are increasingly influential participants.

Finally, she proposed several suggestions to build a durable. stable and sustainable financial support system for BRI based on the preceding analysis. Firstly, integrating and enhancing the financial support system for the BRI is crucial, involving consolidating resources from diverse financial entities and diversifying financial products. Moreover, these recommendations include bolstering financial collaboration and expanding financial openness, which encompasses advancing regional financial cooperation and formulating specific financing strategies tailored to project types. Additionally, in the context of infrastructure investment and financing systems, it is vital to institute a 'partnership cooperation framework' aligned with the



developmental priorities and plans of partner countries. This also involves refining the system for diversified investment and financing institutions, setting up robust rules and systems for infrastructure investment and financing, exploring and establishing high-quality infrastructure standards, and creating a risk management framework for infrastructure projects.

Exchange

Renmin University of China - Singapore Management University Global Forum

On the morning of April 20th, the Launch of IMF World Economic Outlook 2023 was held in Beijing, which is organized by the International Monetary Fund Representative Office in China, the International Monetary Institute of Renmin University of China (IMI), and co-organized by the China International Finance Association and the Bank of China Research Institute. On November 21, 2023, the “Renmin University of China - Singapore Management University Global Forum” was successfully held in Beijing. The theme of the forum was “Green Finance and Governance: From Commitments to Actions.” The event was co-hosted by Renmin University of China and Singapore Management University, with the School of Finance, Renmin University of China (SFRUC), China Financial Policy Research Center (CFPRC) and the International Monetary Institute (IMI) as the co-organizers.

Ye Kangtao, Vice President of RUC, and Timothy Clark, the Provost of SMU, delivered speeches on behalf of the organizers. The conference was chaired by Qu Qiang, the Director of the China Financial Policy Research Center.

Ye Kangtao emphasized that the theme of this forum covers the comprehensive elements of green finance planning, practice, and sustainable development throughout the entire cycle. Promoting the healthy development of green finance is of great significance for achieving harmonious coexistence between humans and nature and effectively transforming environmental preservation into economic prosperity. Renmin University of China has leveraged its unique strengths in the field of humanities and social sciences through long-term educational practices, accumulating profound interdisciplinary knowledge, and laying a solid foundation for research and education in green finance.

Timothy Clark highlighted that Singapore Management University is committed to addressing societal challenges through interdisciplinary collaboration and partnerships with various sectors. The university aims to provide solutions for different topics such as digital transformation and sustainable development. The theme of this forum, "Green Finance and Governance: From Commitments to Actions," calls for a rethinking of traditional academic research paradigms.

Lan Hong, Associate Director of the Ecological Finance Research Center of RUC and Professor of Environment and Natural Resources School, Lian Hao,



Associate Professor of SMU Lee Kong Chian School of Business (LKCSB), Ho Bee Professorship in Sustainability Management and Co-Director of Singapore Green Finance Centre, Joris Dierckx, Head of Corporate and Institutional Banking for Southeast Asia and CEO of Singapore Branch at BNP Paribas, and Jang Ping Thia, Lead Economist and Manager, Economics Department, Asian Infrastructure Investment Bank (AIIB) offered their keynote speeches.

Lan Hong delivered a speech titled "Green Finance and Global Ecological Crisis Governance." She emphasized that the most crucial task in global ecological governance is addressing the climate crisis and biodiversity crisis, and green finance serves as an essential tool for global ecological governance. The increasing occurrence of extreme weather events worldwide highlights the urgency of global carbon neutrality actions, and China's green finance policies and actions are playing a significant role in this regard. In terms of green finance policies, the central bank has not only incorporated green finance indicators into the bank evaluation system and implemented a separate approval system for green finance bonds but also strengthened the application of refinancing tools in green finance. Additionally, the central bank has conducted open market operations through the Medium-Term Lending Facility (MLF) and introduced a groundbreaking structural monetary policy tool, the Carbon Emission Reduction Support Tool, specifically designed for climate crisis governance.

Liang Hao, Associate Professor of SMU Lee Kong Chian School of Business (LKCSB), delivered a speech titled "Green Finance: Opportunities and Risks Coexist." He mentioned the flaws and risks in the traditional logic of green finance and emphasized the need for active transformation in finance to provide more effective and inclusive financial support, encouraging greater participation of economic entities in low-carbon transition. The traditional approach of green finance involves providing funds to green enterprises while restricting financing for brown enterprises, which may result in a decrease in energy efficiency for brown enterprises and, paradoxically, exacerbate carbon emissions. Therefore, there is a need to employ transformative finance to establish and implement low-carbon transition goals and plans for brown enterprises, improving energy efficiency and reducing carbon emissions.

Joris Dierckx, Head of Corporate and Institutional Banking for Southeast Asia and CEO of Singapore Branch at BNP Paribas, delivered a speech titled "Green Finance and Governance: From Commitment to Action." He discussed global green finance and governance from four aspects. Firstly, he pointed out that the pace of ESG regulatory development varies globally, and in the coming years, EU ESG regulations will increasingly be integrated into the corporate development framework. Secondly, he introduced the strategic initiatives implemented by BNP Paribas in 2023 to serve the low-carbon economic transition. Thirdly, he discussed the specific measures taken

by BNP Paribas in the implementation of relevant strategies. Finally, he mentioned that the EU Green Bond Standard provides a voluntary set of standards for issuers to enhance investor transparency and reduce the risk of “greenwashing.”

Jang Ping Thia, Lead Economist and Manager, Economics Department, Asian Infrastructure Investment Bank (AIIB), delivered a speech titled “Commitment and Governance of Green Finance.” He discussed the importance of transforming governance and policies in achieving net-zero emissions and promoting green finance from four perspectives. First, Jang Ping Thia pointed out that although governments around the world have made commitments to achieving net-zero emissions, the pace of implementation is still insufficient. Reforms in national institutions and capacity-building are necessary to facilitate greater participation of private enterprises and investors. Secondly, achieving net-zero emissions requires the combination of carbon pricing and a range of policy measures, as carbon pricing can provide favorable economic conditions for other intervention measures. Thirdly, state-owned enterprises and state-owned financial institutions, including national development banks, sovereign wealth funds, central banks, etc., need to undergo more transformations. Lastly, in suitable conditions, the market plays a role in redistribution and innovation, while governance approaches may vary depending on the context.

The roundtable discussion was moderated by Qian Zongxin, Professor and Associate Dean of SFRUC. Participants included Jang Ping Thia, Lead Economist and Manager, Economics Department, Asian Infrastructure Investment Bank (AIIB); He Qing, Vice Dean and Professor at the National Academy of Financial Research, Renmin University of China; Gao Haoyu, Professor; Lu Liping, Associate Professor, both from the School of Finance and Public Administration, Renmin University of China; Peng Yuchao, Vice Dean of the School of Finance, Central University of Finance and Economics; and Simon J.D. Schillebeeckx, Assistant Professor of Strategy and Innovation of SMU LKCSB, Co-founder and Director of the Global Mangrove Trust and GREEN. They engaged in a lively discussion on the topic “How to Better Coordinate ESG with Other Government Objectives in the Future.”



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